



October 19, 1999

Administrative Memorandum - Protection and Safety #5-99

To: Protection and Safety Supervisors  
Protections and Safety Workers  
Income Maintenance-Foster Care Workers  
Protection and Safety Administrators  
Resource Development Administrators

From: Chris Hanus, Co-Administrator, Protection and Safety Division  
Mark Martin, Co-Administrator, Protection and Safety Division

Re: Change in Name of Service

One of the responsibilities of the Department is reporting of information to the Internal Revenue Service for services purchased by the Department. While it is the Department's understanding that there is no need to report on payments made to foster parents for the care they give to a child placed in their home, there is a need to report on payments for services when the payment is made directly to another provider.

One example of such a service is respite care. When a foster care payment includes an amount for respite care, which the foster parent will use to purchase respite care from someone else, there is no need for the Department to report this payment to IRS. However, when the Department pays a provider directly for the respite care, the Department is responsible for providing the payment information to the IRS, via issuance of a 1099 Form.

Using the current codes on CWIS, it isn't possible for the Department to separate out the two types of payments described in the above paragraph, as both would be coded simply as "Respite Care." Therefore, we are adding a new Service Type, which will distinguish between the payment for respite made to the foster parent and the payment for respite made directly to the provider of the respite care, even if that provider is another foster parents.

As of **November 1, 1999**, the following definitions will apply, and the appropriate service type must be used for all new authorizations and all re-authorizations:

"Respite Care": Provides a break for parents and youth from one another. This service may be used by parents, foster parents, and other providers. It may be provided in a home or a center. **The money is paid directly to the provider of the respite care.**

"Foster Parent Respite Care": Provides a break for parents and the child or youth from one another. This may be used by foster parents, guardians or adoptive parents, who have elected to

October 14, 1999

Page Two

receive the money and then pay the provider of the respite care. **The foster parent receives the money and then pays the actual provider of the respite care.**

For authorizations of "Respite Care" made prior to November 1, 1999, conversion of those which should appropriately continue as "Foster Parent Respite Care" will be made by Central Office Staff. Workers need not go back and change the Service Code until such time as re-authorization is needed.

Foster parents receive an "Explanation of Benefits" with each foster care check. If the payment includes money for use by the foster parent for purchase of respite care from someone else, the "Explanation of Benefits" with the check that comes in November (Ruth, is this correct?) will show the new service type. Some foster parents might notice this change and ask why there is a change. We are hoping to provide a mailing to foster parents prior to that check issuance so that they already will have this information. A copy of that mailing will be sent to Service Area Protection and Safety Administrators.

In January, 2001, the Department will be issuing 1099's for payments made in Calendar Year 1999. 1099's will be issued to providers for all payments made under the Service Type of "Respite Care."

If you have questions, please contact Margaret Bitz, at (402)471-9457 or by CCMail, or contact Ruth Grosse, at (402)471-7785 or by CCMail.